



MICHIGAN

To: Honorable Members of the Michigan Senate Appropriations Committee

From: Amanda Fisher, Assistant State Director

Date: November 29, 2012

RE: SB 1359 Claims Tax

We are writing to ask your opposition to SB 1359 which would increase the Health Insurance Claims (HICA) Tax.

SB 1359 has been introduced because the HICA Tax passed in 2011 is collecting less than projected. While this is unfortunate, the SB 1359 is unacceptable because it would provide for a completely uncapped, unlimited and unpredictable tax rate. It would allow and adjustable rate for the HICA Tax, set by Treasury, with no mechanism for a rebate if the tax collected more than is needed.

This legislation is completely contrary to all of the work that has been done over the past two years to make Michigan a friendly state to do business. Job providers who are already struggling to continue to provide health insurance coverage to workers in the face of an apparently endless line of government taxes and regulations. Healthcare costs have risen exponentially in recent years due to medical inflation and fees and taxes imposed by the federal "Affordable Care Act" (ACA) including the Patient-Centered Outcomes Research Institute (PCORI) fee and the Transitional Reassessment Program tax. . All of this equals large costs for those trying to provide good paying jobs with benefits in Michigan.

Small businesses especially, struggle with providing healthcare. This kind of tax increase only further discourages growth and hiring, in addition to the uncertainty of the rate each year.

On behalf of our over 10,000 members in Michigan, NFIB is asking you to vote no on SB 1359.

Thank you for your support of small business.